

1862

NEW PROVINCIAL BUILDING.

HON. PROV. SECRETARY'S SPEECH.

Delivered in House of Assembly, Tuesday, Feb. 7, 1871.

HON. MR. VAIL, PROVINCIAL SECRETARY, said :

As no gentleman seems desirous of presenting any more bills or petitions, I take this opportunity of laying on the table of the House by command, the correspondence in connection with the new Provincial Building, promised in the speech of the Lieutenant Governor. And in order that this subject may be understood by the members of this House and the people of this country, and particularly as I have been charged by the leading Confederate papers in this city as having been mainly, instrumental in preventing the people of the city of Halifax from using the new edifice for the purpose for which it was built, I feel it incumbent upon me on the present occasion to ask the attention of the House perhaps for a longer time than they would otherwise care to hear me, so that I may fully explain the position in which the questions connected with this building now stand. I shall show in the first place how it was proposed to defray the cost of this building when the Act was passed under the authority by which the building was erected. In the second place I shall show the progress the contractors made from time to time, the exact position in which this building stood at the time the Confederation Act came into force,—and in the third place I shall explain why it was not considered expedient long ago to hand over the building for the use of the departments for which it was intended. After I have done this in as clear and concise a manner as I possibly can, I shall leave the matter to the judgment of this House and to the people of this country to decide who is to blame that this building is at the present time closed against the Dominion Government, and why it has not been used for the purpose for which it was intended.

In order that we may fully comprehend this subject, I shall take you back to the Act passed in 1868 authorising the expenditure of money for the purchase of land upon which to erect the building—Chap. 47 of the Acts of 1868, (page 85,) is as follows ;

" Be it enacted by the Governor, Council, and Assembly, as follows ;

Out of any moneys arising from any additional issue of treasury notes which under the laws now in force may be authorised

by the Governor in Council, a sum not exceeding forty thousand dollars, and out of any moneys deposited in the Savings Bank under the authority of an Act of this Session, entitled, "An Act to enlarge the amount of deposits in the Savings Bank, a sum not exceeding sixty thousand dollars may be appropriated by the Governor in Council to the purchase of the lot of land in the city of Halifax known as Hare's block, and to the erection thereon of a building for the public uses of this Province."

You will observe that by this Act the sum of \$100,000 were to be raised for the purchase of Hare's lot by the issue of Provincial notes and from the deposits in the Savings Bank, the whole of which amount has been transferred to the Dominion Government and included in the debt that has been charged to the Province of Nova Scotia. That is point the first.

At the time when the Quebec scheme was framed there had been \$7,300 expended in the purchase of the land. By turning to the appendix of the little volume containing an account of the various delegations connected with the Quebec scheme with the speeches delivered by the delegates and others on different occasions, compiled by a gentleman in Prince Edward Island who was a very competent man and whose work is a complete history of all the facts connected with the scheme then propounded, you will find the section that was inserted in the scheme in relation to public buildings. I refer particularly to Section 8 of the Quebec scheme, in relation to Custom Houses Post Offices and other Public Buildings and I do so in order to show what was the view taken of this matter when only \$7,300 had been expended in the purchase of the land. The Section reads as follows;—"Custom Houses, Post Offices and other Public buildings, except such as may be set aside by the General Government for the use of the Local Legislatures and Governments."

Now it will be remembered that when that scheme was framed we had merely purchased the land,—not a dollar had been spent on the building. Suppose then that there had never been anything more expended on this edifice what would be the position of the matter at the present day? How would the Dominion Government have been able to get along without the expenditure of \$189,000 in order to accommodate the different departments now under the Dominion control? I mention this to show at the time the original scheme of Confederation was framed, when this clause was inserted, we had expended no money on the building. Now the Imperial Act, which was framed a year or two afterwards, Confederating these Provinces, contains an exact transcript of this very clause, so that as far as public buildings are concerned there is no difference between the Quebec scheme and the British North American Act.

In the third scheme of that Act specifying the public works which are to be the property of Canada there is the following clause:—

"8. Custom Houses, Post Offices, and all other Public Buildings, except such as the Government of Canada appropriate for the use of the Provincial Legislatures and Governments."

Between the time when the Quebec scheme was framed and the time when the Confederation Act took effect we spent a large sum of money upon this building, and that money must have been expended upon a clear understanding that in the event of the Confederation Act being carried into effect the building would be paid for by the Dominion Government. I do not know whether anything was paid between July 1867 and October of the same year when the present Government was formed, as I have not made the requisite investigation, but perhaps the hon. member opposite, (hon. member for Halifax) can inform the House.

Mr. Morrison.—I think the hon. gentleman will find that \$11,060 was the amount paid during that time.

Hon. Prov. Secretary :—I am glad to be informed by the hon. member. At the time when the Confederation Act took effect there had been \$122,695 expended on the building. You will please remember that the building was under contract at that time, and although I have never examined the contract very closely, I presume that there were the ordinary penalties connected with it for non-performances, so that the government were not in a position to refuse to go on with the work,—they were compelled under the contract to furnish money from time to time as it was required. The building was completed in April, 1868, and when the accounts were made out by the Commissioners, they, thinking that of course the Dominion Government would not hesitate about refunding the amount expended by this Province, made up a regular interest account from the time the contract was entered into; making the whole cost of the building something like \$200,000 or very nearly that sum. The building was thus completed in 1868 and handed over to the government. On the 24th of April 1868, a letter was written and was enclosed to the Provincial Secretary which I will now read :—

OTTAWA, 24th April, 1868.

SIR,—I have the honor, by command of his Excellency the Governor General, to transmit to you herewith a copy of a letter from the Secretary of the Department of Public Works, and to request that you will have the goodness to procure and forward to this department, at your convenience, the information therein asked for respecting the new Provincial Building at Halifax.

I have,

(Signed)

HECTOR LANGEVIN,
Secretary of State.

The Honble

The Provincial Secretary, Halifax.

Department of Public Works,

April 22nd, 1868.

SIR,—The hon. the Minister of Public Works instructs me to direct your attention to the British North America Act, 31 Vic. cap. 12, 1867, the first placing the public buildings of the several provinces under the Dominion Government, and the second placing the Dominion buildings in charge of this department; and to request that you will write to the government of Nova Scotia, and ascertain when the Commissioners, under whose care the new Provincial building at Halifax was erected, will be prepared to hand over the said building to this department.

I have, &c., &c.

(Signed)

F. BRAUN,
Secretary.

The Honble. Secretary of State, &c., &c.

Previous to that time the Government had had this matter under consideration, and a Minute of Council had been passed to the effect that pending the settlement of the question of Repeal the building would remain closed, and should be held by the Local Government. Therefore the following reply was addressed to the Secretary of State, dated 8th May, 1868:—

PROVINCIAL SECRETARY'S OFFICE,
Halifax, 8th May, 1868.

SIR,—I have the honor to acknowledge the receipt of your communication, No. 329, dated 24th April, transmitting a copy of a letter from the department of Public Works, asking for information relative to the new provincial building, and I have it in command to forward you a Minute of Council made at Halifax on the 27th of February last:—

"It is recommended that the new provincial building (now about completed) be held by the government, and remain vacant, pending the settlement of the question of confederation."

When the act for the Union of Canada, Nova Scotia, and New Brunswick passed in Imperial Legislature, this building, which was then in process of erection, and by no means far advanced towards completion, was not, in the opinion of the government of Nova Scotia, a public building within the meaning of section 108 of that act, and the schedule therein referred to.

Such being the construction put upon the act, it is not the intention of the government of Nova Scotia to part with the possession of the building.

I have, &c., &c.,

(Signed)

W. B. VAIL,
Provincial Secretary.

The honble. the Secretary of State, Ottawa.

Now, I would ask, how could that building be a public building under the 108th section of the Imperial act, when that act, as far as public buildings are concerned, is an exact transcript of the Quebec scheme, which was framed at a time when this building had no ex-

istence. In this position the matter rested until the following winter, when the subject was again taken up during the next session by the Legislative Council, and a committee was appointed by that body to inquire into the question. That committee handed in the following report :

1. That the commencement of the erection of the building was on the second day of February, 1864.

2. That the money expended on the 1st day of July, 1867, when the act of Confederation came into operation, amounted to the sum of \$144,266.

3. And therefore this committee are of opinion that the building is not included in, and ought not to be subject to, the 108th section of the act of Confederation, which assigned the public buildings of the Province as the property of the Dominion Government, but that the building in question is a clear asset of the Province of Nova Scotia, and should be dealt with as such in the negotiations between the two governments.

4. The exigency of the public service demanding the immediate occupancy of the new Provincial Building, the committee recommend that it, or such part of it as may be required, should be offered to the Dominion Government on rental, due care being taken by the Executive government that the lease should in no manner prejudice the right of ownership whilst the question is pending between the two governments.

5. In order, however, to arrange the difference of opinion which at present exists in regard to the matter in dispute, it has occurred to the committee to throw out the following suggestion for the consideration of the Legislature, viz. :

That the Government of Nova Scotia should, in virtue of the 110th section of the British North America Act, keep possession of the building, and assume so much of the debt of the Province as was expended on it previous to the operation of the said act.

You will notice here a slight discrepancy between this statement of the cost of the building and that given by the Commissioners, arising from the fact that the Commissioners had made up an interest account, and included it in the cost. A few days after the report of the committee was presented, the House, on motion, proceeded to the consideration of the subject. The following entry appears on the journals :—

The said report was read by the Clerk.

" And on motion the said Report was adopted, except the last clause and the preamble thereto, which was withdrawn by the consent of the House."

You will therefore perceive that in the Legislative Council, the majority of which is composed of gentlemen who would be disposed at all events to do justice to the Dominion Government if nothing more, a resolution was passed unanimously that in the opinion of the council that building was not a building intended to be conveyed by the 108th Section of the Dominion Act, and

third schedule, but was clearly an asset of the Province and should be so considered in all negotiations with the Dominion Government. The same year, as every gentleman in this House will probably remember, we took up this question in our caucus meetings on several occasions, and discussed the matter at length to see if we could arrive at some satisfactory conclusion as to the position of the building, and devise some way in which it could be turned to the use of the province and of the people of Halifax. You will probably remember, too, that at that time a resolution was passed in this House in connection with the building. To the resolution I wish to call the attention of the House because the Government have sins enough upon their shoulders without having to bear the charge of keeping this building closed of their own wish and desire. I wish the House and country to understand that we have always been tied down and restricted to the fullest extent by resolutions passed both in the Upper and Lower House in reference to this matter. The resolution of this House to which I refer was passed on the 14th of June, 1869, during the summer session of the House. The following entry appears in the journals ;—

“ On motion of Mr. Townsend,

Resolved, As the opinion of this House, that the new Provincial Building, constructed at a large expense from the provincial funds, be sold to any person or persons who may be disposed to purchase the same at cost.”

Now Mr. Speaker, this brings us down to the arrangement generally known as that made by the Honbls. Messrs. Howe and McLelan, in the interests of Nova Scotia. In the negotiations which led to that arrangement, this, as a matter of course, occupied a very prominent place, and there is a good deal in the documents that are now on the journals of this House, in reference to the questions in dispute between the Dominion and Local Governments in connection with the building. The following expressions used by Sir John Rose in his reply to the statement of Messrs. Howe and McLelan will show the view of this question which that gentleman held at the time of the negotiation :—

“ It would seem at variance with the provisions of the Union Act to make any special allowance on account of the Province Building at Halifax. It is true that this building, intended for services now under Dominion control, has been erected since the Quebec Conference, and has never been used by the Province of Nova Scotia, and that its cost goes to make up the total debt of Nova Scotia. But it is nevertheless Dominion property, as much as the railways—portions of which have been constructed in the same interval—and it therefore stands on the same footing: except perhaps as to any outlay since July, 1867, which may form the subject of equitable adjustment.”

This then, was the opinion of Sir John Rose, whose duty it was at that time to protect the interests of the Dominion Government,

and he used these expressions in reply to Messrs. Howe and McLelan, representing Nova Scotia, who at that time were pressing for the full payment by the Dominion Government of the cost of the Province Building.

These negotiations of course led to Dominion legislation in regard to this building. I will therefore refer now to the Act passed in the Dominion Parliament embodying improved terms for this Province, and I wish to call particular attention to the preamble of this Act, for it speaks very plainly as to what scope the improved terms negotiated for by Messrs. Howe and McLelan were intended to have. It will be seen from the preamble that this Act refers entirely to the subsidy, and does not in any manner touch the adjustment of public accounts. It reads as follows:—

"Whereas it appears by message from His Excellency the Governor General, and the Report of the Committee of the Queen's Privy Council for Canada, approved by His Excellency on the twenty-fifth day of January last, and other documents accompanying said message that it is just and expedient to add to the sum payable to the Province of Nova Scotia, under the British North American Act, 1867. Therefore Her Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

The third section of that act provides that "Nova Scotia shall, from the date of the completion of the new Province Building, be debited in account with Canada, with interest, at the rate of five per cent. per annum, on the cost of that building, until it shall have been placed at the disposal of the Dominion."

This act, then, allowing that the third section is constitutional, adopts exactly the view of Sir John Rose in regard to the Provincial Building; that is, that it stood on the same footing as any other public work transferred to the Dominion Government,—on the same footing, for instance, as our railroads. That section of the act, therefore, had reference entirely to the interest on the cost of the Provincial Building to the Dominion Government, that is, the amount expended previous to July 1867. It would be contrary to common sense to take any other view. To suppose that the House of Commons would pass an act, to legislate into the Dominion Treasury \$66,000 of money paid out of our provincial treasury is simply ridiculous. If the Dominion Legislature had the power to pass such an act as that, they would have the power to take from us every dollar of our subsidy; and if such a principle were admitted, what position would any Province of the Dominion be placed in?

The fifth section is as follows: "The grants and provisions made by this act, and the British North America Act, 1867, shall be in full settlement of all demands on Canada by Nova Scotia." Of all demands for what? Of course this section applies altogether to the increased subsidy, and if I am correctly informed that was the object of the mover of that section. It was intended for the

protection of the weaker province rather than of the stronger, for if once the right of the Dominion Government were admitted, to break down the Imperial Act and add to the subsidy of any one Province, that moment the right of the larger Provinces to tyranize over the smaller would be established, and wherever a large Province possessed sufficient strength in the Dominion Parliament it might procure the passing of an act taking away the greater part of the revenues of the smaller Province, and we would have no redress—they could alter the Imperial Act and we would not be protected in any way under its provisions. This section was therefore passed with the very correct view of placing us in a better position then we otherwise could occupy, because in the event of our remaining in the Confederation and Ontario obtaining an increased representation after the next census, were it not for this section our subsidy might be reduced from eighty to forty cents per head to meet the interests of the people of Ontario. I call attention to this Act because it bears directly upon the argument which some have taken. I wish the House to bear in mind the object for which the fifth section was inserted, because it is under the authority of that section that the payment of the amount due to the Province for the cost of the new building has been refused.

The next discussion that occurred on this subject took place when I was in Ottawa myself a year ago. I then embraced the opportunity of learning the views of the Dominion Government. Of course they were a little reticent and not disposed to tell me explicitly that the amount of money paid out by this Province after July 1867 would be returned to us, but they intimated their readiness at any time to discuss the matter, and they seemed to be desirous of coming to a right conclusion with regard to it. I found, however, much to my astonishment that Mr. Howe who was a representative of Nova Scotia in the Dominion Government, took an entirely different view of the matter from that which I myself held. He intimated to me that the matter was irrevocably settled by the arrangement negotiated by Mr. McLelan and himself with the Dominion Government. I of course questioned the right of these gentlemen to settle a matter which was purely a controversy between the Dominion and Local Governments in as much as the main question between the two Governments referred to money paid out of our own treasury. However, I could not alter his views, or induce him to tell me that we had any reason to hope that he would change his mind. I was not of course in a position to negotiate with the Dominion Government. I was merely endeavoring to place my own views before them; and to draw from them such information as would enable me to judge as to what offer we could make them which might possibly be accepted. I told Mr. Howe I could not understand how he could adopt a view so different from that of Mr. McLelan; and sometime after I came home I wrote to Mr. McLelan

to obtain his view of the matter, for I was very much astonished that Mr. Howe should be so firm in his opinion that the question had been entirely settled by the negotiations with the Dominion Government. In that letter I referred to a short conversation I had with Mr. McLelan the evening after he returned from Ottawa. I had met him on that evening, and he had explained to me what had been done in reference to the increased revenues. I referred to this conversation in the letter, merely to refresh his memory; because there was a large amount required to be paid in connection with the new poor house, and I was a little anxious that the money should be provided to meet that demand. I had referred to this demand in the conversation with him, and he had replied; " You must remember there will be that money you will receive for the new building, and that will more than reimburse the amount which you will be obliged to pay for the new poor house. He did not speak particularly as to what amount he meant, or say whether he meant the amount which we now claim, or the whole cost of the building. I therefore wrote to him as follows;

Halifax, 17th December, 1869.

DEAR SIR,—

The "act respecting Nova Scotia" passed last session of the House of Commons, confirming the agreement entered into by Mr. Rose, and Mr. Howe and yourself, is somewhat obscure in reference to the new provincial building, and I shall feel greatly obliged if you will inform me whether it was intended that Nova Scotia should be charged with interest on the *whole cost* of the building, or only on that paid prior to the 30th June, 1867.

I distinctly remember, in conversation with you the evening after your return from Ottawa, you stated the money we would receive from the Dominion Government for the new provincial building would more than reimburse us for expenditure on the new poor's asylum: but as you did not state the amount I have thought it advisable to seek information from you before opening negotiations with a view of getting the question in regard to the building settled.

I am, &c.,

W. B. VAIL.

(Signed)

Hon. A. W. McLelan.

The negotiations between Sir John Rose and Messrs. Howe and McLelan, took place in January, 1869. The act of the Dominion Parliament in respect to Nova Scotia, based on these negotiations, was passed I think in May of the same year. My letter was written on the 17th of December, 1869, and the reply of Mr McLelan, on the 3rd of January, 1870, one year after the arrangement was made and nine or ten months after the act passed. That is a very important fact, because it shows that if Mr McLelan had been disposed to change his mind in the mean time, he had ample opportunity to do so, as nine or ten months had elapsed before the act was passed. His letter, therefore, could not have been writ-

ten hurriedly, as the reply is dated on the 3rd of January, seventeen days after mine was written, from which it would appear that he had carefully considered the subject. It reads as follows:

Londonderry, 3rd of Jan. 1870.

My Dear Sir,—I deeply regret that I hurriedly passed over the closing paragraph in yours of the 17th, in which you say you desire the information with a view to negotiate for the settlement of the new building question, or I should have put aside matters that were pressing upon my time, and replied at once. As I understand it, the Dominion Government will pay the expenditure on the building subsequent to 1st July, 1867. If the amount be placed to your credit on expenditure, or completion of the building, then they will charge you interest from that date upon the whole cost of the work, allowing you interest on the sum at your credits for expenditure after 1st July. If the over expenditure be not placed to your credit until the building is handed over, you will only be chargeable with the interest upon the expenditure previous to the 1st July, 1867. Which-ever way you put it the result is the same. The expression in the act is, I think, "interest on the cost of the new building until handed over." Now the over expenditure does not form part of the cost to the Dominion government until that sum is placed by them at your credit. I trust you will have no difficulty in adjusting the accounts and making a satisfactory settlement of this question.

Hon. W. B. Vail.

A. W. McLELAN.

It will be seen by this letter that Mr. McLelan was not blind to the fact that an Act had passed in the Dominion Parliament. It is as plain as possible that the whole matter was before him, and in this letter there is a very important admission to begin with. The Dominion Government pretends to tell us at the present time that the Act in respect to Nova Scotia shuts us off, and they pretend to tell us likewise that the matter in connection with the building was settled, having been finally disposed of, as Mr. Howe considers, when the arrangement with Sir John Rose was made. I will therefore just point to the settlement that was made by that arrangement, and to the correspondence that took place at that time, and to the questions put to the Auditor, on a memorandum from the Minister of Finance. The first question put to the Auditor was this:

"With what amount of debt would Nova Scotia be entitled to enter the Union, supposing the same debt per head of the population, as ascertained by the last census, was assigned to her as New Brunswick?"

This question refers only to the indebtedness of the Province and had no connection with the new building. The Auditor's reply was that the Province would be entitled to \$9,188,756 Canadian currency.

The following is the second question:

"What sum would be equivalent to the \$63,000 given to New Brunswick for ten years, assuming that the same rate per head is given to the population of Nova Scotia?"

The answer is \$72,693 Canada currency.

Here, then, we have only two matters settled, and the amounts stated in the two answers just read are the only amounts that we receive from the Dominion treasury at the present time, according to the settlement made by the negotiator of that arrangement. There were other questions proposed, but those that I have read are the only ones which determine the amounts that we are entitled to receive. I deny, therefore, that the question of the Provincial Building had anything to do with the settlement made by the Hon. Messrs. Howe and McLelan with Sir John Rose. This is a very important view of the matter. It is as clear as it possibly could be that this arrangement was not regarded at that time as having finally settled the question of the Provincial Building, because subsequent to these questions being asked and those answers given, Mr. Rose expressed his opinion that the amount paid out after the 1st July should be the subject of adjustment.

It is thus as plain as anything possibly can be that that settlement had no reference to the Provincial Building at all, and Mr. Rose did not intend that it should have. The Act in respect to Nova Scotia was passed entirely upon the questions put to the Auditor and the answer to those questions. We were accordingly allowed over nine millions of dollars of debt, and received an extra subsidy, for ten years only, of over eighty thousand dollars, to correspond to the sixty-three thousand paid New Brunswick. That was all that was done by that arrangement. I deny that the Provincial Building came up in any way, except in the correspondence already referred to between Messrs. Howe and McLelan and Sir John Rose.

At the outset I read to you the letter of Hon. Hector Langevin, Secretary of State, in connection with this matter. That letter was the only demand made by the Dominion Government. Up to the present day there has been no regular demand made to the Government of Nova Scotia to give up the building. The next correspondence that took place between the two Governments was opened up after we had held a meeting of the members of the House of Assembly in Halifax, at which we made up our minds that we would be willing to accept the view taken by Sir John Rose, as presented in the correspondence between that gentleman and Messrs. Howe and McLelan. We had met six or seven times before coming to that conclusion, but at length we decided that we would hand over the building to the Dominion Government upon their paying to us the amount expended after July 1st, 1867. Accordingly, at the request of the members, composing a large majority of this House, I sent a telegram to Sir John A. McDonald, asking, in the first place, whether the Dominion Government would be willing to submit the question to arbitration. Now it seems to me that, as a dispute had arisen between the Dominion and Local Governments, if the Dominion Government had felt perfect confidence in their right to keep this building without paying anything for it, they would have been quite ready to submit to an arbitration. I will read my telegram, and the telegram in reply. They are as follows:—

"HALIFAX, 21ST MARCH, 1870.

Sir John McDonald, Ottawa.

Will your government submit dispute in connection with new Provincial Building to arbitration.

Answer by Telegraph."

W. B. VAIL.

"OTTAWA, 24th March, 1870.

Hon. W. B. Vail, Halifax.

Government have no power, by law, to submit question to arbitration.

J. A. McDONALD.

The Government determined to bring the matter to a final settlement, if possible, before the members left the city, and accordingly a second telegram was sent to Ottawa as follows:

"HALIFAX, 25th March, 1870.

Sir John A. McDonald, Ottawa.

Will your government pay amount expended on new Provincial Building subsequent to July, 1867?

Answer by telegraph.

W. B. VAIL."

From that day to this no answer has been received, except that which will appear hereafter when I read the minutes of Council, embodied in the correspondence which I intend to lay on the table. Now I should like to know what the Government could have done up to that period that we did not do. We had pressed upon the Dominion Government the necessity of coming to some settlement in order that the people of Halifax might have this building opened. We were willing and anxious to meet the Dominion Government. We were ready to submit it to arbitration or to any amicable mode of adjustment that they could propose or ask for, and I cannot see, for my own part, what could be expected from the Government of Nova Scotia that we had not shown ourselves willing to do.

In July, 1870, when the accounts were sent down it was found that the Dominion Government had deducted \$30,000 from our subsidy as interest for three years on the new Provincial Building, taking the cost of the building at \$200,000, and charging the interest for three years, from July 1867 to July 1870. Thus they charged us with interest on \$200,000, when the whole cost of the building was only \$189,080.64, and they calculated the interest for eight months before the building was completed, charging us in this manner with the interest on our own money paid out of the treasury of this Province after the 1st of July, 1867. Nobody can make me or any honest Confederate believe that this was fair on the part of the Dominion Government whose duty it is to do justice, particularly to the weaker province. By what right could the Dominion Government charge interest on \$200,000 eight months before the building was out of the contractor's hands, charging interest on our own money, not one dollar of which they had paid in any way. Matters began to be a little serious about that time, and we began to feel that although we were a small government and represented a small

colony we were not willing to be treated in this manner, and that we would not submit to be taken advantage of by the Dominion Government in this way. We had been willing to open negotiations or to do anything that was possible in order to get the difficulty settled, but we now felt that the time had arrived when there should be some plain speaking, and we should know where we were and what we had to expect. The Government consequently framed a Minute of Council, offering to submit the matter to arbitration or to adopt any amicable mode of adjusting it. In that Minute we stated all the facts connected with the history of the building, and presented our view of the question in dispute. A reply was afterward received from the Dominion Government and the correspondence continued down to a few days before the meeting of the House. All this correspondence has been embodied in a pamphlet, as the matter is one of some importance and has given rise to a good deal of discussion in this city and throughout the province. To give you an idea of what the Dominion Government considered to be justice to the Provincial Government in matters of this kind and what they consider fair to Nova Scotia as compared with the governments of the other provinces, I will just refer to a few grants made by the Dominion Government in connection with public buildings intended for the same purposes as the building under discussion, and think you will be rather astonished to learn the amount that was appropriated for Post Offices and Custom Houses in other provinces as shown in the official returns. They are as follows:—

Montreal, Canada, Custom House.....	\$200,000
St. John, New Brunswick do	75,000
London, Canada, do	50,000
Toronto, " Warehouse.....	10,000
Post Offices at Toronto, London and Quebec, Canada.....	155,000
	<hr/> \$490,000

Here we have a sum total of \$490,000 expended for buildings intended for the same purposes as our province building, while not a single dollar is granted to Nova Scotia, and on the contrary the Dominion Government refuse to pay us the amount expended out of our own treasury since the first of July, 1867. If this is justice to Nova Scotia it is a different thing from that which I have been accustomed to recognize under that name. It is all very right that the government should contribute \$490,000 to public buildings in other provinces, but when they come to deal with Nova Scotia they refuse to refund to us the sum paid directly out of our own treasury after we have agreed to give up the amount of \$122,000 expended prior to July, 1867. They actually refuse to pay us \$66,000 which we provided for directly out of our subsidy, and which we should have had to expend upon our roads and bridges in 1868.

Now there is another circumstance in connection with this matter which is very remarkable, and that is that the Dominion Government should have felt it necessary, after a little time to retrace their steps.

I have already said that on the first of July, 1870, they deducted \$30,000 from our subsidy. Now it happened that one of the Dominion officials was here in the following autumn, and I had some little conversation with him in reference to this subject. I merely remarked to him that it was strange that the Dominion Government should have deducted \$30,000 from our subsidy, and should charge us with interest on \$200,000, when the actual cost of the building was only \$189,080. I suppose that this led to a little inquiry, for when they remitted the subsidy in January following, instead of deducting \$30,000 they made up a new statement, taking the cost of the building at \$189,000 and charging us only \$25,210, being the interest for two years and eight months. In the first statement they had charged us with interest for three years, to July, 1870, and had put the cost of the building at \$200,000. In this new statement, therefore, they acknowledged that they had been wrong, while they admitted our view was perfectly correct in that particular.

We do not admit, however, that they had any right to charge us with interest at all. I take the ground that no demand was made for this building. Even allowing the Dominion Government the most favorable view of the case,—giving up the \$122,000 expended before the 1st of July, 1867, we have an unquestionable claim for \$66,000. But we go farther than this and hold that before the Dominion Government could pretend to charge us with interest on the cost of the building either before or after the 1st of July, 1867, they should show that they have made a demand for the building accompanied with \$66,000, for the amount paid out by this province after the Dominion Act came into operation. That is the ground I take. That is the only tenable ground that can be taken, and it is the ground that I am satisfied the people of Nova Scotia will take when the subject is fully understood.

I do not know that it is necessary for me to proceed much farther with this argument. I shall merely close my remarks with a few observations. It seems to be the desire on the part of the Confederate papers to throw the blame and the stigma of having kept this building closed, entirely upon the Local Government. But I wish it to be perfectly understood that the Government of Nova Scotia have exhausted every expedient within their reach and employed every means that could be devised in order to have the question in regard to this building settled in such a way that the people of Halifax could have the benefit of it. We have gone so far as to say to a private party in town :—"we will rent the building to you, try to rent it to the Dominion Government, in some way that it may be used by the Post Office Department, but we will hold you responsible to give us possession when we require it after due notice—but see if you cannot make some arrangement by which the building can be used by the departments for which it is intended." I do not hesitate to say for myself, that it is painful to go into that building and see an edifice in every way calculated to serve the people shut up, while the officials in the Post Office Department, and the public of this city are oblige

to resort to a place so mean and so unfit for the use of the public as the present Post Office. It has been painful to me, and therefore, I have used every effort to get this matter settled. It has been my desire and the desire of the Government that the building should be occupied for the purpose for which it was built. But at the same time the people of Halifax must remember, that Halifax is not Nova Scotia. There is such a place as Yarmouth, with its thousands of tons of shipping, and such a place as Cape Breton with its great mineral wealth and large resources. There are people in this province outside of the city of Halifax, and the people of this city have no reason to complain, if they are for a time deprived of the use of this building, considering the large amount of money that goes into the pockets of the people of Halifax. I want it to be understood that Nova Scotia lies to a great extent outside of the city of Halifax, and that the Government of this country must represent the whole province. It has been said that this building has been kept vacant because I am in the Government, and because I have no interest in common with the people of Halifax. I would like to know how any gentleman could hold a departmental office and not have an interest in common with the people of Halifax, particularly where he has received such kindness and hospitality as I have been favored with at the hands of the people of this city. While I hold my present position I consider myself to be the representative of all Nova Scotia. I do not confine my representation to Digby or any other county. While I hold the office of Provincial Secretary I consider that I represent the whole people, and it is just as much my duty to serve the city of Halifax, if the opportunity offers, as to serve my own constituency in a matter of this nature. A large amount of money has been spent by the Government in this city, in connection with the Provincial Building, the Poor House, the City Hospital, and the Asylum on the other side of the harbor. Halifax has the benefit of all this besides the money expended on the railroads which have served the interests of this city to a greater extent than any other part of the Province. Therefore I feel that the city should not complain if a certain class of people has been put to some little inconvenience, in consequence of its having been felt necessary to keep the new building closed in order that we may get the money which is actually due the people of this Province and which is needed in all the counties to keep up the roads and bridge service of the country. Seeing that such a course was necessary in the interest of the whole Province there is not a man in the country, Confederate or Anti-Confederate, who will not, after taking the matter into consideration, endorse the action of the Local Government and of this Legislature in reference to the building. I do not wish to occupy the time of the House any longer. I felt it to be necessary that I should go fully into this question that the matter might be clearly understood. If there is anything in this whole controversy that I feel inclined to deprecate it is that in a matter of this kind the Government should be charged with motives of petty spite and malice,

and with a desire to prevent the people of Halifax from enjoying this building as a post office. Such motives would be beneath the character of a Government, and when any person calling himself a gentleman insinuates that the Government could be guilty of entertaining such feelings, I repel the charge, and I repeat that it has been the earnest desire of the Government to appropriate it to the use for which it was intended and to have the matter settled. But I don't hesitate to say that before I would give it up to the Dominion Government without their paying over the \$66,000 actually due to this Province, having been paid out of our treasury, I would see it taken down stone by stone and erected into a monument to the memory of Nova Scotia—as she was before Confederation—free and independent, now a mere dependency of Canada.

The hon. gentleman then read the correspondence between the Dominion and Local Governments in reference to the building and laid the same on the table of the House by command of His Excellency the Lieutenant Governor,—thanking the House for the patient attention which had been given to the explanations which he had made on this important subject.